

Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 EA-07 ISO-00 EB-07 COME-00 PA-01
PRS-01 TRSE-00 L-03 SAB-02 CIAE-00 INR-07 NSAE-00
PM-04 NSC-05 SP-02 SS-15 USIA-06 /087 W
-----078142 242257Z /70

R 241657Z JUN 77

FM AMEMBASSY PANAMA
TO SECSTATE WASHDC 2498
INFO AMEMBASSY CANBERRA
AMEMBASSY CARACAS
AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY KINGSTON
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMCONSUL RIO DE JANEIRO
AMEMBASSY SINGAPORE
PANCANAL
USSOUTHCOM

C O N F I D E N T I A L PANAMA 4565

FOR STATE/COMMERCE

EO 11652: GDS
TAGS: PN, BTID, EFIN
SUBJECT: FOLLOW-UP ON EL PANAMA HOTEL AND PACIFIC/ATLANTIC
BANK (P/AB)

REF: A. PANAMA 3968, B. PANAMA 2666, C. PANAMA 1643, D. PANAMA 1115

1. ACCORDING TO LEGAL NOTICE WHICH APPEARED IN LOCAL PRESS
JUNE 20, EL PANAMA HOTEL'S MOVABLE ASSETS COMPRISING
FURNITURE, ELECTRICAL APPLIANCES, LINEN AND TABLEWARE WILL BE
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AUCTIONED OFF JUNE 30. THE NOTICE ALSO MENTIONED OTHER ASSETS:
ACCOUNTS RECEIVABLE: \$550 THOUSAND, EQUITY ON INSURANCE POLICIES:
\$150 THOUSAND, INTANGIBLE ASSETS: KEY MONEY AND TRADE NAME:
\$500 THOUSAND. THE SUM OF \$2,809,973 SHALL SERVE AS THE BASIS
FOR THE AUCTION AND ACCEPTABLE BIDS SHALL BE THOSE COVERING AT
LEAST TWO THIRDS OF THIS AMOUNT. BIDDERS TO BE ACCEPTABLE SHALL
BE REQUIRED TO DEPOSIT AT LEAST 5 PERCENT OF THAT AMOUNT.

2. ACCORDING TO RELIABLE TRADE SOURCES, NOBODY IS EXPECTED TO PUT UP SUCH LARGE AMOUNT OF MONEY AND THE "WINDOW DRESSING" AUCTION, FOLLOWING THAT OF THE HOTEL COMPLEX (REF A), FINALIZES BNP'S BID FOR LAWFUL HOTEL OWNERSHIP. THE ONLY LATEST DEVELOPMENT ON PANAMA HOTEL MANAGEMENT PROPOSALS BY AMERICAN AND FOREIGN CHAIN HOTELS (REF A) IS THAT CANADIAN FINANCIER (PRIMARILY REAL ESTATE) ERIC FAYER OR FREYER (REF C) HAS BEEN INVITED BY BNP TO PARTICIPATE. IN THE MEANTIME BNP HAS QUIETLY LAID OFF 50 HOTEL EMPLOYEES BRINGING HOTEL LABOR FORCE DOWN TO 350. BNP FORESEES NO RPT NO PROBLEM AS ALL OVER 50 YEARS OF AGE AND HANDSOMELY COMPENSATED.

3. REGARDING P/AB (REF B) BANKING COMMISSION NOW TRYING SELL BUILDING ON CONDOMINIUM BASIS. REPORTS HAVE IT THAT BANCO DE HAVANA MAY MOVE IN SOON.

4. FOLLOWING ADDITIONAL DATA OBTAINED FROM RELIABLE TRADE SOURCES ON EDDIE WONG'S FINANCES (REF D): (1) OVERALL INDEBTEDNESS PANAMA/FAR EAST: \$60 MILLION PLUS INTEREST OUT OF WHICH PANAMA HOTEL AND P/AB EQUALS \$40 MILLION. FROM LATTER, MOSCOW-NARODNY BANK: \$20 MILLION. ON PANAMA HOTEL AUCTION OF MAY 31 (REF A) SHAREHOLDERS (WONG: 83 PERCENT) LOSSES STOOD AT ABOUT \$1.6 MILLION. FYI PANAMA HOTEL'S AUTHORIZED CAPITAL (NOT PAID IN) WAS \$5 MILLION DIVIDED INTO 250,000 SHARES OF \$20 EACH. EMBASSY STILL TRYING TO FIND OUT HOW MUCH DID THE RUSSIANS LOSE.
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5. EMBASSY WILL REPORT AS FURTHER INFORMATION BECOMES AVAILABLE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ASSETS, HOTELS, BANKS, BUSINESS LOSSES, AUCTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PANAMA04565
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770227-0415
Format: TEL
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770622/aaaaatdz.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7b7c4977-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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